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12 August 1985

MEMORANDUM FOR: Director of Central Intelligence

FROM : Robert M. Gates
Deputy Director for Intelligence

SUBJECT : Revolution and the Philippines []

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1. President Marcos almost certainly will leave office one way or another during President Reagan's second term. The question is whether he will be replaced over the longer term by a coalition of the more enlightened members of his entourage and the moderate opposition, by a military junta or by a coalition of moderates, radicals, liberation theologians and Communists -- with the latter driving for sole power. The outcome remains open, but current trends point toward the third alternative. []

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2. Indeed, drawing on historical parallels, the Republic of the Philippines is headed for a dramatic regime change and may be in a pre-revolutionary stage. While country specialists assure us that each country is unique, dramatic political upheaval and revolution itself are unique phenomena with common characteristics cutting across national boundaries. It is worth looking at the Philippines in this context:

- As in pre-revolutionary Iran and Nicaragua in 1978 and Cuba in 1958, the Philippines is ruled by a corrupt autocrat whose dynasty it is widely recognized will end with his ouster or death. Power will go to whomever can seize it.
- As in Iran, Nicaragua and Cuba, the regime is perceived to be, and is, corrupt.
- As with the Shah, Marcos's political concessions are cosmetic and made under extreme pressure. They also are designed not to transfer any real power.
- Like pre-revolutionary Iran, the limited gestures by Marcos have given the impression (and reality) of a relaxation -- vice disappearance -- of controls, thus creating expectations that cannot and will not be met while affording greater freedom of action to those who wish to oust the regime.

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- As in Nicaragua and Iran, the moderate democratic opposition is leaderless, disorganized and lacks a true popular base except as a protest vehicle to express dissatisfaction with the regime (as in the 1984 election).
- As in Nicaragua, Cuba, China and Vietnam, there is a highly disciplined armed Communist insurgency making important gains in rural areas. Government military and economic programs are ineffective.
- As in Nicaragua and Cuba, the Philippine economy is in trouble. Living standards are declining and fewer and fewer have any stake in the regime.
- As in Nicaragua and Iran, the Philippine army is perceived as (and often is) corrupt, brutal and ineffective. Indeed, it is widely hated, especially in the countryside.
- As in Iran, Nicaragua and Cuba, the United States is (and is perceived as) the mainstay of the autocrat and is associated with his policies and misdeeds.
- Like the Shah, Marcos refuses to allow genuinely free elections out of fear he will lose power. While the moderate opposition might win an election, it presently lacks the cohesion, leadership and organization to provide a strong government able to tackle either the economy or insurgency.
- Like Somoza and Batista, Marcos refuses to act against his wealthy cronies or to revitalize the army as a professional, capable force because either would threaten his position.
- As with the Shah in 1978, Marcos is sick. His health and energy vary widely day to day, and with them his ability and will to cope with his country's massive problems.
- As with the Shah, Somoza and Batista, Marcos has largely shut himself off from uncongenial views and regards those who seek to act vigorously against problems as threats to his power.
- Uniquely, Marcos has grievously weakened previously democratic institutions, thus rendering the Philippines vulnerable to an undemocratic succession.

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3. The US reaction to these developments in the Philippines parallels its response to similar situations in Iran, Cuba and Nicaragua. Indeed, some might say that even if each revolution

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or dramatic change is unique, the US response is not. There is wide recognition in the Administration that the regime of a long time ally is in serious trouble. Yet, we reassure ourselves there is time enough to cope. We fail to recognize the dynamics and psychology of such situations -- how quickly an elite can lose its confidence (Iran); how an army can collapse (or stay in the barracks) while greatly outnumbering insurgents or oppositionists because it can't or won't slaughter countrymen for a discredited regime (Cuba, Nicaragua, Iran); how the totality of cascading problems can overwhelm a system. []

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4. Whether out of complacency, internal division or uncertainty, we shrink from using our full leverage to promote constructive change. We fail to act, worrying that the autocrat will turn on us or that our actions will be perceived by his allies and opponents alike as a withdrawal of American support at a crucial juncture. In the past cases, we have waited too long to exert real pressure and then in the endgame turned our back on a collapsing regime in the hope of salvaging something with the new government. []

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5. Several passages from Gary Sick's book on the fall of the Shah, All Fall Down, are worth repeating in the Philippine context:

"Foreign policy establishments . . . are designed to function within a defined framework of rules and generally accepted patterns of behavior. The tacit but all-pervasive assumption of all governments is that tomorrow will, by and large, be very much like yesterday. Incremental changes in the environment are anticipated and sometimes encouraged. Elaborate study is devoted to the perceived moves of other players and the possible consequences of various strategies available to their own governments. Radical transformations such as wars, revolutions and assassinations are acknowledged as possible outcomes, and in circumstances where the stakes are relatively low, such events are factored in as an element of the process. However, when the stakes are extremely high and such an outcome would be catastrophic, analysis tends to focus on preventive measures and damage limitation. The system searches for points of leverage and control rather than contemplate massive destruction.

"Such a system is eminently rational. More than 99 percent of all events in international politics can be adequately explained and dealt with by a foreign policy structure based on the triple assumptions of rational action, incremental change and partial control. It is therefore ironic and tragic that these excellent rules

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should prove to be illusory and dangerously fallacious when confronted with those rare but crucially important challenges to the very existence of the system itself.

"The failure of a policy maker to deal promptly and effectively with prospective radical change may of course be due to ignorance, ideological myopia or simple negligence. However, when confronted with evidence that the very foundations of a thoroughly institutionalized policy may be faulty, the reluctance of the policy maker to respond is more likely to be due to his awareness of the cost -- and possible futility -- of action rather than inattentiveness.

"If the events of early 1978 in Iran had taken place in a nation where U.S. and Western interests were marginal, there would have been little reluctance to speculate about a range of possible outcomes, including revolutionary overthrow of the existing power structure. In the normal course of events, there would have been papers discussing available options in the event the government fell, together with systematic consideration of precautionary adjustments in policy.

"There was almost a total absence of such studies and speculative analyses in the case of Iran. No one in the bureaucracy, from the ambassador to the Washington analyst, wished to be the first to "make the call" that the shah was on his way out. As a consequence, each individual and each organizational element procrastinated, waiting for incontrovertible evidence before pronouncing such a fateful judgment." []

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6. The Administration needs to face the reality that the odds are very good the Marcos era will end on its watch. At the same time, for all the reasons Sick cites, we need to recognize that the American record in similar conditions in Cuba, Nicaragua and Iran is not one to fill us with confidence in our ability to foster a peaceful, promising transition in which our interests in the Philippines (including the bases) and in the region will be protected. []

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7. Unlike these earlier situations, we may still have some time to act usefully in the Philippines. Unhappily, the senior bureaucracy is wasting its time debating whether Marcos can be part of the solution. I assert that if we cannot convince him by every means at our disposal to be part of the solution to help organize his own passage from power, the chances of a disaster

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for our interests in the Philippines are extremely high. The only hope we have -- and some say it is already too late -- is for Marcos to oversee the creation of a genuine coalition government involving the KBL and the moderate opposition that will have real power -- and to give such a government a chance to get its feet on the ground and implement reforms while the strong figure of Marcos can help provide stability. This approach by the US would require a toughness, an internal discipline, and an exertion of pressure such as this government has not seen in more than a generation. Failing this, we must begin visibly to distance ourselves from Marcos, recognizing the uncertainties and dangers of letting go one handhold before grasping another. Otherwise, we and the bases almost surely will go with Marcos.

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8. Most who know the Philippines and Marcos say he will never take the steps needed for a peaceful transition. Perhaps, but we really haven't tried to make him do so. No one has thought through the kinds of leverage or pressure the US could bring to bear on Marcos if we really were serious. So far, he has just been talked at. We have not addressed how to influence Marcos effectively while there is still time. And, we have not begun to think about what we do to protect our stake in the Philippines if even the most serious pressures and actions fail to move him. As in Iran, we are failing "to deal promptly and effectively with prospective radical change."

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9. I used the historical parallels at the outset to suggest that by all prior experience the Philippines is facing a dramatic change and may be in a pre-revolutionary stage. Marcos and his regime are nearing the end. There may -- only may -- still be a chance to salvage our position there for the long haul. The stakes are immense. The Philippines is a country we once governed, with which we fought a war as allies, and with which there are extremely close ties of family and history. Its importance and that of our bases for the region are nearly incalculable. Unless we acknowledge the near certainty of the end of the Marcos regime while Ronald Reagan is President, and begin to plan, prepare and act, this Administration will court disaster of even greater magnitude than Iran.

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